



**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
MBA PROGRAM**

**THE EFFECT OF EMPLOYEE JOB SATISFACTION ON EMPLOYEE
PERFORMANCE IN THE CASE OF EAST AFRICA BOTTLING S.C (EABSC)**

BY

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**MARCH, 2020
ADDIS ABABA,
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**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF GRADUATE
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SELEHADIN YIMAM

APPROVAL OF BOARD OF EXAMINERS

As members of the Examining Board of the final MBA, open defense, we certify that we have and evaluated the thesis prepared by **Selehadin Yimam Ahmed** and recommend that it is accepted as fulfilling the thesis requirement for the Degree of Master of in Business Administration.

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DECLARATION

I declare that this MBA thesis is my original work, prepared under the guidance of my advisor Goitom Abraham (Asst.prof) and it has never been presented for the award of any degree in this or any other university and all source of materials used for the thesis have been duly acknowledged.

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St. Mary's University, Addis Ababa MARCH, 2020

Endorsement

**This thesis has been submitted to St. Mary's University, School of Graduate Studies
For examination with my approval as a university advisor**

Name of Advisor

Signature

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ABSTRACT

The main purpose of this study was to investigate the effect of job satisfaction on employees' performance: Case study of East Africa bottling Company. Method of this research is both descriptive-survey and explanatory is applied and in terms of time, it is cross-sectional. The statistical population of this study consisted of most employees of this company in, with a sample size of 92. The sampling method was simple random and stratified random sampling. Data collected using two standard questionnaires for job satisfaction and employee performance, which was confirmed by Cronbach's alpha coefficient and composite reliability coefficient of the questionnaires. Descriptive statistics and regression analysis was used to analyze the data, and SPSS software was used to investigate the model. Finally, the results showed that employee satisfaction has a positive and significant effect on the performance of employees of East Africa bottling Company. The results of the study indicate that managers need to focus more on their employees. In fact, employees are the most costly to the organization, but can contribute to the growth and profitability of the company in terms of performance.

Key word: *job satisfaction, promotion, compensation, employee performance,*

CHAPTER ONE

INTRODUCTION

This part of the study presented that, the background of the research; the statement of the problem, the objective, research questions, significance, scope and limitation of the study. At the last sections, it depicted the definitions of key terms and stated the structure of the study undertaken.

1.1 BACK GROUND OF THE STUDY

It is obviously known that peoples are the most important element in organization of any type and size. Maintaining satisfied employee is one of the most important focus areas for organization to increase employee productivity, which in return results in high organizational performance as well as organizational profitability. The challenge of any organization is to meet its corporate objectives for effectiveness and productivity with the needs of the employee for motivation, reward and job satisfaction Antonopoulos, (2008). The recognition for the effective use of human resources has highlighted the importance of the employee for job satisfaction.

Even if the employee overall satisfaction is a result of different factors within and outside of their work environment, Job satisfaction of employees plays a very vital role on their performance in the organization. It is essential to know as to how employees can be retained through making them satisfied and motivated to achieve extraordinary results. Target and achievement depends on employee satisfaction and in turn contribute for organizational success and growth, enhances the productivity, and increases the quality of work. It is indispensable for an organization to exactly feel as to what employees feel, think, and wish and to discover and make strategies that how the staff dedication and commitment can be improved. Through this initiative business outcomes can be improved, productivity can be enhanced, commitment can get strengthened. Increasing staff satisfaction is very vital and important factor for the success of their productivity and organization success.

Employee job satisfaction is the degree to which employee is interested, like, happy and satisfied with their work or it is a measure of worker's contentedness with their job, whether or not they like their job or individual aspect or facets of job such as nature of the work or supervision.

If employees are satisfied then it will create a pleasant atmosphere within the organization to perform in a better and efficient manner, therefore, employee satisfaction and its relation with employee performance has become a major topic for research studies. A lot of research had been done to assess how employee satisfaction relates to individual employee performance and motivation. The purpose of this research study is to assess the relationship between employee's satisfaction and employee performance, scrutinize and determine the level and impact of job satisfaction on employee performance. Because there are a lot of factors that influence employee's satisfaction and as well as employee performance, this study determine which rewards (intrinsic and extrinsic) determine job satisfaction of an employee and to what extent employee satisfaction influence employee performance in the case of East Africa bottling S.C. It also investigated the influence of age, sex experience and assigned department of employees on level of job satisfaction. Moreover, it investigated different events which can satisfy the employees on jobs, their retention in the job, and why employees stay and leave the organization.

The research is based on different theories of human resources. These theories will indicate the extent to which the employee will be satisfied. There is a cause and effect relationship between the employee's job satisfaction and employee performance. Employee's satisfactions cause and the effect will be how the employee performance fosters. So, this study assesses the rationality of this relationship and to identify which job satisfaction are more enhanced employee performance in East African Bottling'.

1.2 Background of the organization

The coca cola company was originally established as the J.S. Pemberton Medical Chemical Company, a co partnership between Dr. J.S. Pemberton & E.D Holland, later it became a stock Company and changed its name to Pemberton Chemical Company On1891, As a Chandler completes purchase of Coca Cola 1894-1895 business growth in US. Dr. John Smith Pemberton produced Coca-Cola Syrup on May 08, 1886. The first syrup manufacturing plant outside Atlanta was opened in Dallas, Texas. Others were opened in Chicago, Illinois and Los Angeles, California, the following year. In 1920s

expanded internationally outside of United States.

Coca-Cola is the most recognized brand on the planet, billion dollar product sold in 206 countries. It has been in Africa since 1929, operates in nearly all of Africa's countries and is one of the continent's largest employers with almost 70,000 employees in 160 plants. It is a giant and Africans buy more than 35 billion bottles of Coke a year.. Nowhere is this truer than in Ethiopia. It was once a byword for poverty and famine but now its economy is booming - it has been expanding by about seven percent a year for almost a decade - and Coke is targeting expansion. Coca-Cola was first bottled in Ethiopia's capital Addis Ababa in 1959 by the Ethiopian Bottling Share Company, which later opened a second branch in DireDawa in (1965).

The two plants were nationalized in 1975, when private investors bought them. Just prior to that, in 1995, the Coca-Cola South African Beverage Company (Coca-Cola SABCO) bought shares in the business and in 1999 signed a joint venture agreement with the plants. In 2001, Coca-Cola SABCO increased its shares to 61 percent and the company changed its name to the East African Bottling Share Company. EABSC continues to run the two plants in Addis Ababa and Dire Dawa. Then in July 02, 2016, join CCBA, open another plant in Bahirdar, and become CCBA (EABSC). CCBA (coca cola beverage Africa) began its operations as legal entity in 202016. The company was created as direct result of merger between non-alcoholic ready for drink bottling and operation of the Coca Cola Company, SAB Miller and the Gutsche family (SABCO). CCBA represents the creation of one of the largest bottler in coca cola system and number one bottler in Africa. CCBA produce and sale 40% all coca cola volumes in the African continent.

1.3 Statement of the Problem

Employees are important asset in any organization and employers have to ensure that their needs are met to allow for maximum performance and satisfied workforce. Due to this organization in the world today have put in a lot of effort to identify the need of their employee to be fulfilled, measure level of their satisfaction, maintain last long employee satisfaction, ensure that employees produce their best, and increase their performance. However, it has not been easy to achieve these goals. Even though, different research undertakings have been conducted on employee job satisfaction, commitment and organizational performance, many organizations still don't understand the mechanism behind specific impact of employee satisfaction towards employees' commitment and performance. And this gives a room for more research to be conducted on the same matter. So, this research focused on measuring

and determining employee satisfaction as a whole and link its effect to employee performance so as to understand the specific contribution and effect of employee satisfaction on employee performance among other factors specifically in EABSC. The motive behind is the researcher's observation in EABSC sales team, despite of the company consecutive success in sales from year to year, employee in the company especially in sales team are heard complaining and unsatisfied. So this research intends to determine the level of employee job satisfaction and its contribution on employee performance.

1.4 Research objectives

1.4.1 General Objective

The general objective of this study was to investigate the effect of employees 'job satisfaction on the overall employee performance in EABSC.

1.4.2 Specific Objectives

- To examine the effect of **promotion** on employee performance of in EABSC.
- To determine the effect **of compensation** on employee performance in EABSC.
- To investigate the effect of **relationship with manager** on employee performance in EABSC.
- To assess the effect of **management recognition** on employee performance in EABSC.

1.5 Research Questions

Based on the problems stated above the following basic research question are raised

- What is the effect of **Promotion** on employee performance in the organization?
- How does **compensation** affect employee performance in the study area?
- To what extent does **relationship with manager** affect employee performance in the organization?

1.6 Significance of the Study

The study will, as other researches it has its own significances. Hence, the finding of the study will contribute outputs to an existed knowledge by filling the research gaps devote to assess job satisfaction on employee performance in East Africa bottling S.C In summary, the output of this study will benefit to the manager in the study area by indicating the level of employee satisfaction can draw important concepts out of this study, and it may serve for the policy-makers and business men as a supporting material; and will benefit the public at larger. In addition to this, this study may help as a foundation for other researchers who want to conduct further research in this area for the future.

1.7 Delimitation/Scope of the Study

The scope of the study was delimited to investigate job satisfaction and employees' performance focusing at EABSC Addis Ababa plant without including other branch plants, due to time and budget constraints.

Furthermore, the variables covered by this study focused on employee satisfaction and employee performance only. Thus, other variables that affect performance such as external factors; technological factors and organizational behavior or cultural factors that affect the employees' performance were not covered, because it won't be manageable to treat all these variables.

1.8 Limitations of the Study

This study was not totally free of limitation as any other social science research study. There was certain limitation faced a researcher such as during primary data collection. For instance, questionnaires filled by respondents and not returned immediately. The unwillingness of the respondents for interview due to COVID and budget were some of the limitations of this study.

In summary, the researcher was attempted conducting a study as much as possible. Due to current conditions, the manager's bodies did not available for necessary information in their Office to meet them for interview. However, as a solution a researcher tried to meet them as to collect relevant data. In addition to this, in accessibility of secondary data it was gathered from the current relevant sources as possible.

1.9 Organization of the Paper

The study is presented in five chapters. The first chapter presented the introduction part stating the study background, statement of the problem, research objectives, the research question, significance and scope of the study, limitation of study and organization of the study. The Second chapter deals with review of related literature, theoretical and empirical evidence and developing theoretical

framework of the study. Third chapter, research design and methodology. Chapter four was represent the research findings and results. The last chapter five includes the summary, conclusions and recommendation drawn from this study. Finally, the lists of bibliography and different appendixes were attached to the research paper.

CHAPTER TWO

LITERATURE REVIEW

This part of the study present the reviewed literature related to major concepts of the study which are job satisfaction and employee performance. In addition to the concepts , factors that affect employee job satisfaction, and the relationship between employee job satisfaction and employee performance is reviewed including research findings and conclusions conducted by scholars in the area of related field.

2.1 Definition and importance of employee job satisfaction

According to Nancy, (1997) employee job satisfaction is about how much employees are happy about their job. It is a measure of employees or worker's contentedness with their jobs. There are a lot of definition about employee job satisfaction by different scholars, one of the most widely used definition in organizational research is that of Locke, (1976) who defines job satisfaction as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience." Others also define employee satisfaction as stated below which provide clear impression of the concept and they were useful for this research study. Moreover, employee satisfaction is a measure of how happy workers are with their job and working environment as it stated employee satisfaction refers to the level of fulfillment of one's needs, wants and desire. Satisfaction depends basically up on what an individual want from the world and what he gets.

According to Simataw (2011), Employee job satisfaction can be defined as psychological state of how an individual feels towards work; it is people's feeling and attitudes about variety of intrinsic and extrinsic elements towards job and organizations they work for. Job satisfaction means function which is positively related to the degree to which one's personal needs are fulfilled in the job situation. Similarly Nickels,(2002), defines intrinsic reward as the good feeling you have when you have done job well , while extrinsic reward is something given to you by someone else as recognition for good work such as pay increase, praise and promotion. In addition, there is also a lot of definition putted for the concept of employee satisfaction which has similar meaning Irrespective of their wording. It is the degree to which employee likes their job. According to Kidd (2006), defines employee job satisfaction as the feeling that employee has on the job, the experience of the job in relation to past experiences, current expectations and alternative that exist in the future. As it is seen from the above definition scholars define job satisfaction from point of emotion, feeling, attitude and perception which makes most of definition closely have similar meanings. Similar to the concept definition, regarding the

importance of why employee satisfaction assessment also there are various reasons that scholars indicate, some of the importance are presented here which I believe that they are important and related to this study. It is obviously known that people are major resource and core factors for organization existence and success. So, understanding and maintaining their employee's satisfaction to the maximum level is verily concern of management in any organization so as to keep the organization productive and profitable.

More over according Lim, (2008) says that job satisfaction plays significant role in both personal interests and organization success and therefore valuable to study for multiple reasons. In recognizing the role of employee satisfaction phenomenon, experts are of the view that it can interrupt labor behavior and influence work productivity and therefore worth to be studied George,(2008).this is in line with the universal saying that "happier workers are more productive employee satisfaction is important because it contribute immensely to organization as follow.

Smithetal (1969) Improved job satisfaction encourages productivity and has inherent humanitarian value in addition job satisfaction directly impacts the level of employee commitment and absenteeism at work place. Hardy et al. (2003). Job satisfaction is so significant that its absences generates lethargy and reduce employee level of commitment. (Levinson, 1998). Employee satisfaction enhances employee retention level and avoids the cost of hiring new ones Murray, (1999). Generally the importance of employee satisfaction specially emerges to surface if had in mind the many negative consequences of job satisfaction such as lack of loyalty, increased absenteeism, demotivation, poor quality of work, increased mistakes and work related accidents etc.. Spector (1997) lists three important features of job satisfaction; first, organization should be guided by human values. Such organizations will be oriented towards treating workers fairly and with respect. In such cases the assessment of job satisfaction serves as good indicator of employee effectiveness. High level of job satisfaction may be sign of good emotional and mental state of employee. Second, the behavior of employee or worker depending on their level of job satisfaction will affect functioning and activities of the organizations business. From this it can be concluded that employee satisfaction will result in positive behavior and vice versa. Dissatisfaction from work will result in negative behavior of employee. Third, job satisfaction may serve as indicators of organizational activities through job satisfaction evaluation of different level of satisfaction in different organizational units can be define, but in turn can serve as good indication regarding in which organizational unit changes that would boost performance should be made. To sum up its complex nature and the above-mentioned reasons

make the study in employee satisfaction vital for organization of any type in every part of the world.

2.4 Factors of employee job satisfaction

In the definition part of employee job satisfaction, we see that job satisfaction is about one's happiness, attitude and perception related to job, so it is obviously known that there are a lot of factors that makes someone to be happy or satisfied about the situation that the person is in. This factors may be personal/internal to that specific person (variables like personality, age, gender, education and expectations), or external that emanates from other people or any organization that is external for that specific person (Variables like relationship with colleagues and supervisors, job security, promotion, working environment and conditions). According to Mosadeghrad (2003), job satisfaction relates to pay, promotion, benefits, work nature, supervision, and relationship with colleagues. Opkara (2002) also saw job satisfaction as an outcome of different factors like pay, promotion, the work itself, supervision, relationships with co-workers and opportunities for promotions. Vidal, Valle and Aragon (2007) advocated that job satisfaction is a complex phenomenon with multi-facets which is influenced by the factors like salary, working environment, autonomy, communication, and organizational commitment. Nguyen et al (2003) postulated that job satisfaction is the result of promotion opportunities in the organization. Meyer et al. (2002) asserted that job satisfaction is determinative of organizational commitment.

2.4.1 Compensation and employee job satisfaction

Compensation is the total amount of the monetary and non-monetary pay provided to an employee by an employer in return for work performed as required. The monetary pay includes fixed pay which the amount and payment are guaranteed and flexible pay which contains variable pay such as goal-base pay, overtime and etc. Non-monetary pay includes all kinds of employee benefits such as family assistance, recreational opportunities, complementary pension plans, health insurance and etc. Igalens and Russell, (1999). It was suggested in previous literature Money & Graham, (1999); Green & Heywood, (2008) that monetary pay is the primary motivator for employee performance and a determinant of job satisfaction. Employees generally prefer their work efforts to be recognized and rewarded thus recognition of an employee's hard work is essential to his or her job satisfaction. However, too often organizations are more focused on production and revenues, rather than their own employees Gregory, (2011). By rewarding employees monetarily or non-monetarily as incentive, employees would feel that their hard work and achievements have not been noticed. Employees need to feel appreciated, as employees and as human Branham, (2005). By linking the money and

performance tends to motivate employees to be more productive and hence they would be more willing to work harder towards success (The Chicago School of Professional Psychology, (2012). Through rewarding, employees are more optimistic about future employment in the organization too Gregory, (2011).

2.4.2 Promotion and employee job satisfaction

Employee perceptions about opportunity for promotion are also another determinant that influences job satisfaction. Promotion is a Shifting of employee for work of higher significance and higher compensation. The development of worker upward in the hierarchy of the association, commonly that prompt upgrade of obligation and rank and an enhanced pay bundle is a promotion. A number of researchers give their supposition that job satisfaction is firmly related with promotion opportunities and there is an immediate and positive relationship between promotion opportunities and employment satisfaction. The dependence of the positive relationship between promotion and employment fulfillment is on seen equity by workers. Promotion is a kind of encouragement tool that using to reward the employees former ting organizational goal hence it delivers as a mean of integrating organizational goals and personal goals. Pandey, & Asthana (2017) stated that promotion is a kind of advancement of an employee which is providing for a better job performance, better job performance related with such thing like in terms of minced responsibility, status, minced skills and experience. Pandey (2017) has been perceived that the deciding factor for the position of an employee in the hierarchy depends on the level of talent, skill and experience. Promotion is one of the fundamental elements which is carries committed changes to fulfill the package of an employee. Ghaffari et al (2017) stated that increment of salary demonstrated the value of promotion. Promotion pursues a set of patterns that defined in the employment bond. In the modem business world, promotion is one of incentive that makes employee productive participant in the organization which is definitely influence on the organizational performance. However, promotion focuses an employee in external environment and that is accomplished his worth in the internal environment. Therefore, the effect of promotion is found that more committed other than fixed income on job satisfaction. Shah et al (2017) those employees are dissatisfied with opportunity of position in hierarchy they have more intention to leave the organization. Yousef (2017) stated that when employee perceive that there are significant chances of opportunity of promotion, they are being satisfied to their job and more concern about issue of organization.

2.4.3 Supervision and employee satisfaction

Supervision is one of the principal factors which can impact employee on the level of job satisfaction. Vannucci et al (2017) expressed that supervision connect with technical knowledge, human relation, skill and coordination of work activity. In organization, the styles of supervisory conduct driving the key part to accomplish organizational objective. Supervisory conduct extends massively imperious where all choice made at top-level and to a great degree just way choice made by employee or subordinate in lowest level. Stress has been perceived that is a vital to pic because of mentally or physically affecting it toward individual. In work place, job stress is one of the most serious occupational threat in our time. Stress in workplace always giving negative influence on the job satisfaction and for this reason employee commitment become poor, and high turnover intention is increased among workers. Job satisfaction is an attitude that determines the contentment, enjoyment and motive felt on the job. Nichols et al (2017) replied that supervisory behavior is one of the techniques that make employee happy or dissatisfied on the level of job satisfaction. According to Hakanen, Peters and Scuffle (2017), the more satisfied worker become motivated worker on the level of job satisfaction.

Jia.Cheng, & Hale (2017) has been perceived that employee rated their communication with their supervisor 80% positive and 20% negatively affecting toward them, and 20% negative communication affect another five times more toward employee's mood which is more than positive communication. He also said that in organization, supervisory behavior can be creating a healthy workplace for the employee. According to Wang, Demerit, & Blanc (2017) supervisor high transformational leadership with employee plays a positive emotion to become happier and motivate them to concern willingly issues of organization. On the other hand, low transformational or abusive supervision has been found that lower level of job satisfaction which influences employee psychological distress to their job.

2.4.4 Management relationship and employee job satisfaction

Workplace relationships are unique interpersonal relationships with important implications for the individuals in those relationships, and the organizations in which the relationships exist and develop Jex, (2002). Besides, absenteeism level could be reduced and performance increases through socialization and interaction among employees Padilla-Velez, (1993). Because workers spend an average of 40 hours a week at the workplace, these long work hours result in the formation of work place friendships. This finding is quite consistent with Schermie rhornetal (2005), who posit that

promotion, pay and relationship with co-workers are the major factors that influence employee attitude towards work? In addition to relationship with coworker's relationship ship with managers have its own impact on satisfaction. The need theories Mayo (1933); Maslow (1943); Herzberg (1993) show that man is a social animal. One of the most important needs is love, both giving and receiving. Relationship with managers play an important role in job satisfaction for two reasons: first, good relationship improves people's interest in staying at work which can maintain high job satisfaction and secondly, good employee-manager relationship leads to a positive intervention, which is proved to be the social information people rely on to form their attitudes towards jobs.

2.4.5 Management Recognition and employee job satisfaction

Pitts (1995) defines recognition as the demonstration of appreciation for a level of performance, an achievement or contribution to an objective which could be confidential or public, causal or formal, verbal or written (Stajkovic&Luthans 2003). Recognition is a process of giving an employee a certain status within an organization and it is a very crucial factor towards an employee job satisfaction (Danish & Usman, 2010; Robbins, 2001). Romano (2003) points out that recognition is the component that is used to strengthen the relationship between organization and people(Zingheim& Schuster,2009) According to Kim (2004), recognition is a timely formal or informal acknowledgement of a person's or team's behavior, effort or business result that supports the organization's goals and values, and which has clearly been beyond normal expectation. Robbins, (2005) argues that employee recognition programs cover a wide spectrum of activities, ranging from spontaneous and private thank you, to formal programs in which specific types of behaviors are encouraged. However, Chiu, Luk, Tang and Kim, (2002); argue that in addition to money, non-monetary rewards such as recognition has been used to attract, retain and motivate employees towards achieving organizational goals around the world (Danish & Usman, 2010; Brun&Dugas, 2008) Thus, different researches have shown that employees who are not recognized in their work place tend to present negative outcomes such as high employee dissatisfaction, turnover and absenteeism. Recognition as a satisfaction factor, according to Herzberg (1959) means being recognized for the efforts and accomplishment of work by receiving a company reward, promotion, or salary increase. Bowen (1980) also posits that it is the acts of notice, praise, or blame supplied by one or more superiors, peers, colleagues, management persons, clients, and/or the general public is a factor for job satisfaction.

2.5 Measurement of job satisfaction

To measure job satisfaction properly, one must have broad understanding of the construct to decide what direct factors to measure. Considering the fact that there is no universally accepted definition of job satisfaction Coverdale, (1979), likewise no exclusively accepted theory to give details, it is not surprising that there exist no single upon best way to measure job satisfaction Wanous & Lawler, (1972). The most fundamental forms of measurement might take in to account an interview, a single-item measure, or workplace observation, but other researchers prefer in-depth survey instrument Spector, (1997). The mainly cited survey instrument identified in the literature comprises the Job Descriptive Index (JDI), Job Satisfaction Survey (JSS) and Minnesota Satisfaction Questionnaire (MSQ).

2.5.1 Job Descriptive Index (JDI)

Smith, Kendall, and Hulin's (1969) Job Descriptive Index is the most extensively used tool in measuring job satisfaction in recent times. More than 50% of articles available in management related journal use Job Descriptive Index to measure job satisfaction level. It is in this direction that Vroom's (1964) concluded that the Job Descriptive Index (JDI) is without doubt the most carefully constructed measure of job satisfaction in existence today. In connection with this, O'Reilly and Robert (1973) state that, Job Descriptive Index (JDI) as a research instrument and diagnostic gauge; is widely used in business and government and its validity is also authentic. Smith et al., (1969). Job Descriptive Index seeks to measure employees' satisfaction with their job in five dimensions, namely present job, present pay, and supervision, opportunities for promotion and co-workers.

2.5.2 Job Satisfaction Survey (JSS)

Job Satisfaction Survey (JSS) is commonly used by organizations in training and maintaining valuable staff Liu et al. (2004). The Job Satisfaction Survey targets nine aspects of job satisfaction including pay, promotion, benefits, supervision, operating procedures, co-workers, contingent rewards, nature of work, and communication designed to evaluate employees' attitude regarding specific facets of their job.

2.5.3 Minnesota Satisfaction Questionnaire (MSQ)

Minnesota Satisfaction Questionnaire was developed by Weiss, Dawis, England and Lofquist in 1967. It considers measuring particular facets of an employee's satisfaction with his or her work, and it gives details on the rewarding aspect of a job than broad measures of job satisfaction. According to

Vocational Psychology Research (2002), Minnesota satisfaction Questionnaire has extensively been used in investigating client vocational needs in counseling follow-up studies and creating information regarding reinforces in jobs.

2.6 Employee performance

Employee performance is about worker's behavior in the work place and how well they accomplish their job duty. Performance is defined as a function of individual ability and skill and effort in a given situation. In the short run, employee's skills and abilities are relatively stable performance in terms of effort extended to the job of an employee Theresa, I. & Henry, C. (2016). According to Nmadu (2013), employee's performance is a degree of accomplishment of task(s) that make up an employee's job. This definition was in line with the definition given by business dictionary (2010), that employees performance is the accomplishment of a given task measured against preset standards of accuracy, completeness, cost and speed. According to Cooke (2000) performance can be defined as the achievement of specified task measured against predetermined or identified standards of accuracy, completeness, cost and speed. In an employment contract, performance is deemed to be the accomplishment of a commitment in such a manner that releases the performer from all liabilities laid down under the contract. AS Le Tran,(2002) mentioned in his journal according to some researchers and practitioners, there are certain factors individually and collectively effect on the performance of employees in a positive or negative way, including: leadership, organizational culture, working environment, employee level of satisfaction (motivation, benefit, reward etc.). Blickle et al. (2008), Organizations are much concerned about job performance due to the significance of its high productivity at the work place Hunter and Hunter, (1984). However, the importance of job performance depends on amount of work, the organizational goals and mission, and acceptable behaviors of the organization before and Hatrup, (2003). So managers should identify the performance gap so as to make performance as per the standard and in benefit of overall organization's performance. Managers at work place must ensure that employee's activities and output contribute to the organization goals. This process requires knowledge of what activities and outputs are designed, observing whether they occur and providing feedback to help improve employees' morale and to meet expectation Nmadu, (2013). As Armstrong (2009), stated in his book there may be a number of reasons for the poor performance including Personal ability (Has the individual the capability? Is there a skills gap need in training?), Manager Ability (Have I given enough direction, and made sufficient resources available?), Process gap (Has the appraisal system been at fault? Have the goalposts moved or external forces made

the task unattainable? Have there been regular enough review sessions and is the reward system pointing in the right direction? Environmental forces (Has the organization created departmental barriers, red-tape over kill, cultural restrictions or hid damaged as which make the task impossible). Personal circumstances (Has something at home affected performance at work) and Motivation/satisfaction (Is the person demotivated/dis satisfied or suffering from stress or lack of challenge). Poor performance can often be a symptom of other problems. Obviously, you need to work with the individual concerned to recognize where the problem is and how it should be resolved there is a whole range of motivational theories but the secret to motivation is to underset Andy our people. People are motivated by different things at different stages of their lives and you have a greater influence than you may realize in motivating your people. As this study is focused on assessing employee satisfaction factor and its impact on performance, the following part of the reviewed literature presents the effect of employee satisfaction on performance irrespective of other factors that contribute to performance through empirical analysis of previous findings.

2.7 Empirical Evidences of the Study

It is obviously known that employee performance is affected and influenced by multiple variables including employee satisfaction that's why deferent scholars and researchers conducted study to assess what factors affect employees' job performance in order to discharge their responsibilities in the case of differentiations and sector so industries. Mostly they focused on factors such as training, motivation, and reward in specific manner, age, experience, marital status etc. that has effect on job performance. However, this part of the study summarizes and present specifically the impact of employee satisfaction on employees' job performance.

In modern competitive market, it is the vision of every organization to attain high performance through productivity and efficiency. However, the attainment of this vision requires highly satisfied workforce as they endeavor to extend more effort to performance and work harder to achieve result. Similarly, the overall performance of an organization is dependent on resourceful and successful individual performance. In explaining the effect of job satisfaction on performance, Cummings (1970) came out with three major points of view that, satisfaction causes performance, performance cause satisfaction and reward causes both satisfaction and performance. Lawlerand Porter (1967) suggest that satisfaction affects effort of employees. They explain increased satisfaction from performance possibility helps to increase expectation so performance leading to reward. Satisfaction and

productivity have critical links to affect each other. Effort leads to effective performance, which eventually leads to satisfaction. But the kind of reward system under which employees operate ultimately affects job satisfaction and performance David et al. (1970). Curral et al. (2005) also found that the output and productivity of an organization is evaluated against the performance of its employees and therefore better performance of employees demands high level of job satisfaction Sousa-Posa, (2000). Nanda and Browne (1997) after examining employee performance indicators at the hiring stage found that employee's level of satisfaction and motivation affects their level of performance. In line with this argument, Meyer (1999) confirms that low level of job satisfaction negatively affects employee's commitment, which eventually hinders achievement of organizational objectives and performance. Therefore, to retain higher performers requires attractive packages and today's competitive world demands that organizations maintain higher performance to stay competitive in the market (Frye, 2004). In the past many empirical research has indicated that there is a low correlation between job satisfaction, commitment, and the intention to leave an organization, which suggests that no direct relationship exists. There are satisfied, committed employees who decide to leave, and dissatisfied, ambivalent employees who steadfastly remain at their jobs Nunn, (2000); Norizan, (2012). Other factors might weigh in the decision to stay or to leave, and these factors may be both worker lasted and personal. Some authors concluded that only a weak negative correlation exists between job satisfaction and voluntary turnover Mobley et al., (1979); Schwepke (2001). For example, employees may lack alternatives to staying with their present job situation, or other types of barriers and commitments may affect their decision to stay. Kalleberg and Mastekaasa (2001) found that previous research on the relationship between job satisfaction and organizational commitment has not shown any consistent and easily reconcilable findings. It is posited that a relationship between the level of job satisfaction and turnover intention may be influenced by an employee's efforts to stay with his or her job and try to change the elements of the job that are dissatisfies Steers and Mowday, (1981). This suggests that an employee might have strong commitment to an organization although he or she is unsatisfied with certain aspects of his or her specific job.

Generally, most of the research finding shows that there is a significant relationship between employee satisfaction and employee performance. However, there is difference on the degree of the effect and its relationship with employee there are employee who is satisfied and underperforming as well as leave their organization inside and there are employee who is not happy about their job and or organization but still productive and not leave their job because they don't have choice in other side.

2.8 Conceptual Framework of the Study

According to Upton, (2001), a conceptual framework can be defined as a set of broad ideas principles taken from relevant fields of enquiry and used to structure a successive study. Therefore, a conceptual framework is a research tool intended to assist a researcher to develop awareness and understanding of the situation under examination and to communicate with a study (Upton, 2001). Hence, a conceptual framework is used to outline possible courses of action or to present a preferred approach to an idea or thought that developed based on the literature reviewed in respective to study undertaken. So, the conceptual frameworks for the study identify, Employee Performances as a dependent variable whereas promotion, compensation, relationship with manager and Management Recognition are as independent variables. The above-mentioned independent variables directly affect Employee Performances and their intention the dependent variables, as to how the way to address these factors leads to the effect on employee satisfaction factors at study will undertake. This more illustrated through the figure below

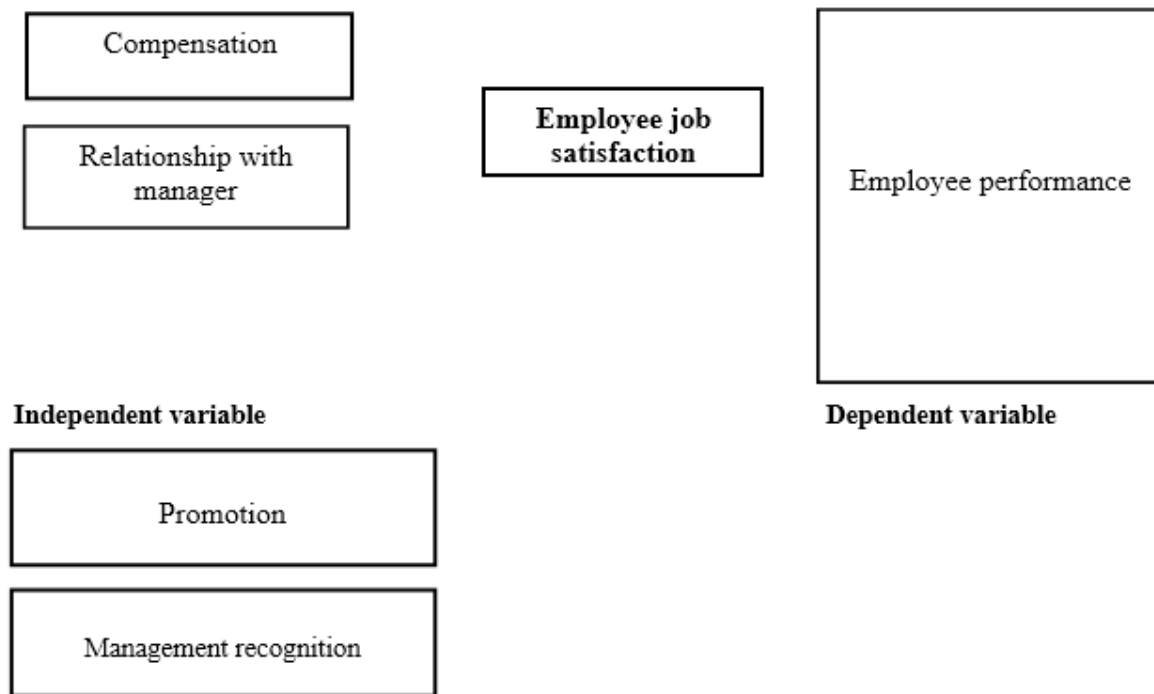


Figure 2.1: Conceptual framework of the Study

Sources: Developed by a Researcher, (2020)

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

A research methodology can be either qualitative, quantitative or a mixture of both these methods. Quantitative research methodology focuses on identifying the characteristics of an observed phenomenon or exploring possible correlations among two or more phenomena, whereas qualitative methods tend to answer general and broad questions by collecting and analyzing views and themes Creswell, (2008). According to their purpose, researches can be categorized in to exploratory, descriptive or explanatory Zikmund, (2010). Indicated that exploratory research involves an attempt to explore and generate new ideas and themes that need further research. Descriptive research involves either identifying the characteristics of an observed phenomenon or exploring possible correlation among two or more phenomena Leedey &Ormond, (2010). Explanatory research involves an explanation regarding “why things are the way they are.

3.2 Research Design

The major aim of this study was to evaluate employee satisfaction and show employee performance and to explore the connection between employee satisfaction and employee performance dimensions. Both descriptive and explanatory research design were used because descriptive research involves describing a problem, context or a situation of research variables and explanatory design enables to explain the relationship between employee satisfaction dimensions and performance. The study used largely primary data sources. This is due to the fact that inadequate research conducted on employee satisfaction and its subsequent effect on job performance with regard to east Africa bottling S.C. As stated in the problem identification. Hence, in order to solve the research problem at hand, the thesis trusted on primary data sources mostly the use of questionnaire.

3.3 Data Types and Sources

3.3.1 Primary Source of Data

In this study, the primary data sources were collected as to ensure the reliability and validity of data collection. Therefore, the major source of primary data was sales and marketing, human resources, production, logistics and distribution, finance, and procurement Workers. Survey questionnaires were distributed to Workers as key informants.

3.3.2 Target Population

The study was done at east Africa bottling S.C define population as all the elements that meet the sample criteria for inclusion in a study area. To this extent, as to obtain reliable data for the study, various sampling techniques will involve. The population of the study was 1405 which are total permanent employee of East Africa Bottling S.C (EABSC) Addis Ababa plant.

3.4 Sample size and Sampling Technique

The sample size for this study is determined by using the simplified formula of (Yemane, 1967). Which is developed to calculate sample sizes, currently at East Africa Bottling S.C (EABSC) have 1405 permanent employees only in Addis Ababa plant.

$$n = \frac{N}{1 + Ne^2}$$

Where n is the sample size, N total population and e the error factor. For 95% accuracy the error factor e is 0.1. Replacing this into the equation we get

$$n = \frac{1405}{1+1405(0.1)^2} = \frac{1405}{1+1405(0.01)} = \frac{1405}{15.05} = 92$$

Where n =sample size, N is the total population, and e is the level of precision Table3.1: Sample size determination

Departments
Human resources
Sales and Marketing

Source: An Author, 2020

3.5 Sampling Technique

The sample technique was employed both stratified and simple random sampling to obtain proper representative of each department under each job position. Since the population is heterogeneous with respect to department, profession, gender, and age, stratified sampling technique was used. Stratified sampling is a sample that focuses on characteristics of particular subgroups of interest and facilitates comparisons. The samples are taken within samples, except the sample size is typically much smaller and “stratifies” a sample based on a characteristic Patton, (2001)

3.6 Data Analysis and Interpretation Procedures

All questionnaire and survey data collected and sorted to eliminate the sampling errors. The uncomplete done and reducing the raw data Through making coding and categories and build them for qualitative data and presented, prior to this qualitative data presented and analyzed through contextual meaning and reported in narration forms.

The researcher was used both descriptive statistics and regression analysis. The descriptive statistics were display and illustrated through tabulated, frequency and percentage, and interpreted with help of percentage. The correlation analysis between each factor and employee performance is analyzed based on measures of associations and descriptive adjectives using SPSS26. The regression analysis used to show the effect of each factors on employee performance

3.7 Reliability and Validity Testing

Testing the validity and reliability of data collecting instruments before providing to the actual study subject is the core to assure the quality of the data (Yalew, 2013: Pp.79-80). To ensure validity of instruments, initially the instruments were prepared by the researcher, and developed under close guidance of advisor, who was involved in providing his inputs for validity of these data gathering instruments. To test for the reliability, the questionnaire was distributed for selected employees of the company. This was done on 92 employees of east Africa bottling. According to the results obtained, the data collection instrument was consistent and dependable in measuring what it intends to measure. From the result of the 92 distributed and evaluated questionnaires the following result was obtained using Cronbach’s Alpha on SPSS.

variables	Cornbatch Alpha	Consistency
Promotion	0.88	Good
Compensation	0.83	Good
Management recognition	0.89	Good
Management relationship	0.8	Good
Employee performance	0.89	Good

3.8 Ethical Considerations

To make the research process professional, ethical principles of the study were more considered by the researcher. The researcher informed the study participants about the purpose of the study that is they were informed that it will be purely used for academic purpose only; the purpose of the study also be introduced in the introduction part of the questionnaires and interview guide to the respondents, as well as confirm that subject's confidentiality was protected.

In addition to this, ethical consideration the respondents were informed that, their participation in the study based on their consent and willingness that this research study was not personalize any of the respondent's response during data presentations analysis and interpretation. Furthermore, all the materials were used for this research study was acknowledged as well.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

This part of the study is about data presentation, analysis and interpretation involved. The study intention is to provide the result and findings regarding the effect of employee satisfaction on employee performance in **East Africa Bottling S.C (EABSC)** and link it with relevant theories.

4.1 Questionnaire Responses Gathered

Distributed Questionnaires'		Responded		Non responded	
Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
92	100%	92	100	0	0

Table 4.1: Response Rate

Source: Field survey 2020

The above table illustrated that response rate of the respondent. As the table indicated above the questionnaires were distributed to 92 respondents. Among the total of 92 questioner distributed the respondent returns the questioner was 92 which makes it 100%. Which implies there is no non respondents among the total sample of 92 respondents which implies all of respondents return the questionnaires to the researcher.

4.2 Demographic characteristics the respondents

The following demographic characteristics of respondents were analyzed age of the employees, genders, level of education and years of experience of **East Africa Bottling S.C (EABSC)**, illustrated as on below table

		Frequency	Percentage %	Valid Percent
Valid	21-30	28	30.4	30.4
	31-40	24	26.1	26.1
	41-50	28	30.4	30.4
	>50	12	13.0	13.0
	Total	92	100.0	100.0
Valid	Male	71	77.2	77.2
	Female	21	22.8	22.8
	Total	92	100.0	100.0

Table 4.2.1: Age and gender characteristics Study respondents

Source: Field Survey, 2020

According to the overhead table 4.2, respondents whose age fall between 21-30 years were 28 (30.4%), which are the most study participants of the total respondents, while respondents with age of 31-40 were 24 (26.1%). This implies that, comparatively speaking, the greatest study participants were more than from those whose ages extended 50 years, which is 12 (13.0%). This 10% of respondents were fallen ended age, but has no harmful effect on the value of this study as so long as information. The table also displays that out of the 92 total respondents 71 (77.2%) and 21 (22.8%) were male and female participants respectively. This shows that, more of respondents of the study were male than female respondents, which infers there are more male workers than female in EABSC.

		Frequency	Percentage %	Valid Percent
Valid	Diploma	7	7.6	7.6
	First Degree	45	48.9	40.2
	Masters	40	43.5	43.5
	Total	92	100.0	100.0
Valid	Below 5	2	2.2	2.2
	5-10	56	60.9	60
	Above 10	34	37.0	37.0
	Total	92	100.0	100.0

Table 4.2.2: Respondents' Qualification Backgrounds and year of service

Source: Field survey 2020

As shown on the table above, the educational qualification of each respondents shows the common of the study participants were bachelor degree holders which accounted for 45 (48.9%). On the other hand, 40 (43.5%) of participants were second degree or master’s holders. Diploma holder respondents were 7 (7.6 %). As it is showed in the table above, also state us that the majority of study participants were dropped under the range of 5-10 years of service. which represents 56 (60.9%) of the total respondents and 34 (37%) were in the category of above 10 years and only two respondents which is 2.2% of total respondents dropped in less than 5years categories. This displays that, furthestmost of the study respondents were knowledgeable workers with 5 to10 years of service monitored by those respondents who have above 10 years of service knowledge in EABSC. Henceforward, it was understood that, a insufficient of the respondents had worked for not more than 5 years. Though, the popular was more experienced on their jobs, and they were measured as responding applicable data mandatory for study acknowledged.

4.3 Descriptive Statistics

In the process of analyzing of the data, standard deviation was used. Small standard deviations (relative to the value of the mean itself) indicate that data are close to the mean whereas, a large standard deviation (relative to the mean) indicates that the data points are distant from the mean. The mean is a poor fit of the data. Standard deviation is a measure of how well the mean represents the data. All of the variables were measured using a five-point Likert scale where 1 stands for strongly disagree and 5 stands of strongly agree. Therefore, the interpretation made using the mean of each variable, as a matter of fact the mean falls between the two ranges, hence if the mean approaches to 1 the interpretation would be the respondents disagree on the raised issue or variable and if it approaches to 5 the reverse would be true Murry.J (2013).

2. Promotion		Mean	S.D
2.1	The criteria set for promotion is realistic and applicable	2.58	1.21
2.2	There is a clear and transparent promotion policy in the organization	2.62	1.18
2.3	I have a clear insight about the promotion policy of the organization	2.92	1.14
2.4	The promotion practice of the organization is free from any kind of bias	2.65	1.14
Grand Mean		2.69	

Table 4.3.1 Descriptive Statistics of Respondents view on Compensation practices
Source: own survey, 2020

The above descriptive table shown us, the compensation practices as follow: - The first statement of the compensation practice of the organization, the current compensation is fair compared to similar industries. The mean value is 3.05 (the responds were lay in neutral stage). This implies, the employees neither agree nor disagree in the promotion practice. In the statement of the current compensation is fair compared to similar industries .The second question which deals about the compensation that I receive from the organization is adequate to my duties and responsibilities the mean value was 3.09 which is the same as the first question and interpreted as employees neither agree nor disagree on this matter. The issue of incentive compensation is based on employees’ performance for achieving specific goals and objective. A mean value of 2.81, which fall in the neutral, implied that, the employs neither agree nor disagree at the organization this matter. the other concern that fall in the disagree level The current compensation practice is attractive and encourages for better performance mean value of 1.9which implies in the organization the employ disagree with a clear insight about the promotion policy of in the organization. Moreover, in the organization compensation practice the grand mean value lays at disagree stage (2.71) which implies the respondents disagree on the compensation practice in the organization.

2. Promotion		Mean	S.D
2.1	The criteria set for promotion is realistic and applicable	2.58	1.21
2.2	There is a clear and transparent promotion policy in the organization	2.62	1.18
2.3	I have a clear insight about the promotion policy of the organization	2.92	1.14
2.4	The promotion practice of the organization is free from any kind of bias	2.65	1.14
Grand Mean		2.69	

Table 4.3.2 Descriptive Statistics of Respondent View on promotion practice
Source: own survey, 2020

The promotion practice of the organization the criteria for promotion is realistic and applicable mean value is 2.58 (the responds were lay in disagree) this implies the employs disagree in the promotion practice of the organization. The second question which deals there is a clear and transparent promotion policy in the organization the mean value was 2.62; which is the same as the first question and interpreted as employees disagree on this matter. The issue of i have a clear insight about the promotion policy of the organization. a mean value of 2.92, which fall in the neutral., implied that the employs neither agree nor disagree at in the statement the other concern that fall in the disagree level

The promotion practice of the organization is free from any kind of bias the mean value lays at disagree stage (2.65) which implies the respondents disagree on the statement of the promotion practice of the organization is free from any kind of bias. Therefore, the grand mean of the promotion practices in the organization lays at disagree stage which implies that the respondents not satisfied by promotion practice in the organization.

3. Management Recognition		Mean	S.D
3.1	There is a good acknowledgment in the organization	3.43	0.89
3.2	The manager give attention or favorable notice for the employee in the organization	3.45	2.13
3.3	There is good appreciation in the organization	3.75	1.53
	Grand Mean	3.54	

Table 4.3.3 Descriptive Statistics of Respondents View on Management Recognition practices
Source: own survey, 2020

The above table shown as the management recognition in the organization: -the first statement is there is a good acknowledgment in the organization the mean value was 3.43 which lay at agree stage this implies that the respondents agree with the statement of there is a good acknowledgment in the organization. The mean value is 3.45 the respondents agree on the statement of the manager give attention or favorable notice for the employee in the organization. The third statement of there is good appreciation in the organization the mean value 3.75 which implies the respondents agree with issue. Generally, the grand mean value is 3.54 which implies that the respondents agree or satisfied on the management recognition practice in the organization.

4. Relationship with manager		Mean	S.D
4.1	There is good relationship with manager	3.56	1.23
4.2	There is smooth relationship with immediate supervisors	3.45	1.56
4.3	There is smooth relationship with workers	3.57	1.27
	Grand Mean	3.53	

Table 4.3.4 Descriptive Statistics of respondents View Relationship with Manager
Source: own survey, 2020

The above table shown as the relationship with manager in the organization. The first statement is there is good relationship with manager the mean value is 3.56 which implies that the respondents agree with the statement there is good relationship with manger. The second statement there is smooth

relationship with immediate supervisor the mean value is 3.45 which implies the respondents agree with the statement of there is smooth relationship with immediate supervisor.

EMPLOYEE PERFORMANCE	Mean	Std. Deviation
I attend to my work with speed and accuracy	2.38	.666
I combine the available resources very well to provide quality services	3.91	.996
The degree to which I do my work meets our customers' requirements	2.83	.406
My performance has continually improved	3.64	1.299
I record down a number of activities in my list before starting on the day's work.	3.55	1.077
I generate ideas and better ways of doing work easily	4.45	.784
I meet the formal performance requirements of the job	3.41	1.022
Grand mean	3.45	

Table 4.3.5 Descriptive statistics of Respondents view on Employee performance
Source: own survey, 2020

The above table shows that the employee performance of East African bottling S.C. In the first statement, I attend to my work with speed and accuracy, the mean score value was 2.38. Which implies, that the respondent disagree with statement of i attend to my work with speed and accuracy in the study area.3.91 shows that the respondent agree with the statement of I combine the available resources very well to provide quality services. the third statement is the degree to which I do my work meets our customers' requirements the mean value was 2.83 which indicates that the respondent neither agree nor disagree with statement of the degree to which i do my work meets our customers' requirement. In the fourth statement the respondents were agree with in the statement of my performance has continually improved the mean value were falls at agree stage. in general the above descriptive statistics shown the employee performance of the respondents the grand mean value were 3.45 which falls at agree stage which implies the respondent agree with the there is a good employee performance at EABSC as the descriptive statistics shown above,

4.4 Correlation Analysis.

The measures of associations and descriptive Objectives

Measure of Association	Descriptive Adjective
> 0.00 to 0.20 ; < -0.00 to -0.20	Very weak or very low
> 0.20 to 0.40; < -0.20 to -0.40	Weak or low
> 0.40 to 0.60; < -0.40 to -0.60	Moderate
> 0.60 to 0.80; < -0.60 to -0.80	Strong or high
> 0.80 to 1.0; < -0.80 to -1.0	Very high or very strong

Source: This table is from MacEachron, (1982) *Basic Statistics in the Human Services: an Applied Approach*, and page 13. From the correlation matrix above, the researcher found the following results under each construct,

	Performance	Promotion	Compensation	Relationship with manager	Management Recognition
Performance	1.0000				
Promotion	0.3372* 0.0009	1.0000			
Compensation	.277* 0.012	0.1175 0.2622	1.0000		
Relationship with manager	.298** 0.007	0.3372* 0.0009	0.3662* 0.0003	1.0000	
Management Recognition	.573** 0.000	0.1008 0.3361	0.3335* 0.0011	0.0771 0.4627	1.0000

Correlation Analysis between promotion and employee performance

The result of Pearson correlation test between the dependent variable employee performance and the independent variable promotion, showed that, there is a positive relationship between the two variables at the significance level of ($R=0.3372^*$), ($P<0.05$). According to MacEachron (1982), measure of association, the magnitudes of relationship between the two variables are weak or low.

Correlation Analysis compensation and employee performance

Pearson correlation test was conducted to know the degree of association between the dependent variable employee performance and the independent variable compensation. Hence, the result of the study showed that, both variables are positively correlated to one another at a significant level of ($R=0.277^*$) ($P<0.05$). Based on MacEachron, (1982), measure of association, the magnitudes of

relationship between the dependent and independent variables are very weak or very low.

Correlation Analysis between relationship with manager and employee performance

Pearson correlation test was conducted to know the degree of association between the dependent variable employee performance and the independent variable relationship with manager. Hence, the result of the study showed that, both variables are negatively correlated to one another at a significant level of ($R=-.0.29^*$ ($P<0.05$)). Based on MacEachron, (1982), measure of association, the magnitudes of relationship between the dependent and independent variables are very low or very weak.

Correlation Analysis management recognition and employee performance

Pearson correlation test was conducted to know the degree of association between the dependent variable employee performance and the independent variable management recognition. Hence, the result of the study showed that, both variables are negatively correlated to one another at a significant level of ($R=-.573^*$) ($P<0.05$). Based on MacEachron, (1982), measure of association, the magnitudes of relationship between the dependent and independent variables are very height or very strong.

4.5 Multiple Regressions Analysis

To find out the linear relationship between dependent variable and with more than one independent variable linear multiple regressions is used. The factors such as promotion, compensation, relationship with manager, and management recognition are treated as independent variables and employee performance as dependent variables. To develop the regression line formula, the dependent and the independent variables are denoted as, ($X1$ =promotion, $X2$ =compensation, $X3$ =relationship with manager, and $X4$ =management recognition) and the dependent variable, Y =**Employee performance**. On the process of developing the equation of multiple regression, the researcher conducted the assumption that have to be fulfilled before testing multiple linear regression which are the assumption of normality, linear relationship, homoscedasticity, independence of errors and multicollinearity are discussed using SPSS. Model summary of the regression result, the ANOVA, standardized and unstandardized β coefficients have been presented to find out all the necessary relationships between the dependent variable (Employee performance) and independent variables (factors).

Assumption of Multiple Linear Regressions
Assumption 1. Multicollinearity problem in the data

Coefficients^a

Model	Co linearity Statistics	
	Tolerance	VIF
Promotion	.198	5.058
Compensation	.452	2.215
Relationship with manager	.254	3.943
Management recognition	0.167	5.981

a. Dependent Variable: employee performance

The above table shows the assumption of multicellular test. As the table indicated there is no multicollinearity problem, because all variable of VIF is less than 10.

Assumption 2 Heteroskedastic Test

Table 4.9 Heteroscedasticity Test

Breusch-Pagan / Cook-Weisberg test for heteroskedastic
Ho: Constant variance
Variables: fitted values of Performance
chi2(1) = 2.65
Prob > chi2 = 0.4033

The table above illustrated that the assumption of Heteroscedastic. The table indicated that the p value is greater than 5% significant level it is the indication of there is no heteroscedastic because the p value is greater than 5% significant level.

Assumption 3 Normality test

The P.P plot for the model suggested that the assumption of normality of the residual have been meeting or the graph shows that the normality test. The variable is normally distributed which mean the distribution of the variable are normally distributed

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.774 ^a	.598	.583	1.00995

a. Predictors: (Constant), promotion , compensation, relationship with manager and management recognition

b. Dependent Variable: Employee performance

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	117.016	3	39.005	38.241	.000 ^b
	Residual	78.539	77	1.020		
	Total	195.556	80			

a. Dependent Variable: Employee performance

b. Predictors: (Constant), promotion, compensation, relationship with management and management recognition.

The regression model considered employee performance as dependent variable and the factors affecting performance for the individual factor as the independent variables. A multiple regression analysis is conducted to evaluate how well the four predict employee performance. As it is depicted above the table, the linear combination of the four factors is significantly related to employee performance ($R^2=.0.598$, $F= 38.24$ and $P<0.001$). This means that, **59.8%** of the positive variance of employees' performance in the sample can be accounted for by the linear combination of the four factors that affect employee performance which are promotion, compensation, relationship with manager and management recognition .

The table above shows that, the sig (ANOVA .P=0.000), and it was indicated the overall significance of the model. . Generally, the ANOV Analysis table above clearly depicted or explained the existence of the relationship between the independent variable which were promotion, compensation, relationship with manager and manager recognition the dependent variable employee performance along with showing the normality distribution of the data or the overall significant of the variables are significant at a significant level of 5.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	30.747	.861		35.711	.000
	Promotion	.102	.053	.279	1.946	.005
	Compensation	.388	.039	1.074	9.994	.000
	Relationship with manager	.434	.088	.804	4.952	.000
	Management Recognition	0.36	.089	.808	5.67	0.00

a. Dependent Variable: Employee performance

$$Y=30.75+0.279 X1+1.07 X2+.0.804X3+0.808X4e$$

The regression model points out the relationship between the dependent and the independent variable. The model result suggested that Promotion, compensation, relationship with manager and Management Recognition have a positive and a significant at $p<0.05$.

The first variable coefficient of promotion result of the model shows that $\beta=0.279$ this implies one percent increment in promotion will leads to an increase employee performance by 27%. The literature shows that the result of empirical studies and against the proposition that employee performance is positively related to its promotion.

The second variable coefficient of compensation has $\beta =1.07$ this means that a one percent increment of compensation will lead to an increasing employee performance by 10%.

The third variable coefficient of relationship with manger $\beta=.0.804$ this means that a one percent increment of relationship with manager will lead to an increasing employee performance by 18%. Different empirical evidences also showed that relationship with manager and employee performance are a positive and significant relationship. Different empirical study result shows the same finding in our case for instance a study conducted by Martin & Siehl (2014), argues that relationship with manager is theoretically related to performance and has a positive influence on it.

The fourth variable coefficient of management recognition $\beta=.0.808$ this means that a one percent increment of management recognition will lead to an increasing employee performance by 80%. Therefore, the results showed that there is a positive and significant relationship between job satisfaction and employees' performance. There is also a positive and significant relationship between the dimensions of job satisfaction and promotion, compensation, relationship with manager and

management recognition and staff performance. This means that increased job satisfaction leads to improved employee performance. The results of this study are in line with the results of Bakotić, (2016); Kampkötter,(2017).

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

This is the final chapter of the thesis and it presents the general findings of the research in the context of the central ideas of the objectives of this research. The perspective of this chapter does not only recommends solutions but presents the findings in relation to employee job satisfaction in the East Africa bottling S.C. The chapter include the summary of findings, recommendations and conclusion.

5.1 Summary of the Major Findings

The general objective of this study was to examine the effect of job satisfaction on employees' performance in the case of east Africa bottling company. In its systematic analytical process, it used four independent variables i.e. (compensation relationship with manager, promotion, an manger recognition) and dependent variable employee performance. Moreover, quantitative method of analysis, particularly descriptive and regressive was used to depict the degree of the relationship between the dependent variable and independent variables. In the first section of descriptive analysis; mean score, standard deviation and grand mean of each item were presented and the grand mean was used to interpret the data.

The descriptive analysis indicated that majority of the employees neither agree nor disagree, promotion, and compensation. When it comes to relationship with manager and manger recognition, employees were happy or agreed with these two practices.

Then the multiple regressions analysis was applied to see the effect of the independent variable on dependent variable and result obtained was positively and statistically significant to effect employee performance by employee satisfaction. The finding and results of the regression supported that selected employee satisfaction practice is positively associated with employee's performance. The model of the regression explained 54% of the variance in employee performance by independent variable. The Multiple regression analysis indicated that these selected employee satisfaction practice have a statistically significant relation with employee's performance.

Each independent variable was regressed to investigate the impact on employee's performance, so the multiple regression analysis produced positive and significant association between the variable and the beta coefficient value indicated that each independent variable impact on employee performance significantly. Moreover, the regression model also represents the contribution of each independent variable to show effect on employee performance as follow, **promotion($X_1=0.279$), compensation ($X_2=1.07$), relationship with manger ($X_3=0.804$) and manger recognition ($X_4=0.808$).**

The Pearson correlation coefficient test was used to examine the relationship between employee satisfaction and job performance. Results showed that the relationship between promotion and performance was **0.3372** (sig = 0.001), compensation with performance **0.277** (sig = 0.001), relationship with manager with performance **0.298** (sig = 0.001), manager recognition with performance **0.573** (sig = 0.001), Therefore, it can be said that all dimensions of job satisfaction have a positive and significant relationship with job performance of employee.

5.2 CONCLUSION

Based on the findings of the study the following conclusions are drawn: As depicted, employees are the basis for an organization to achieve sustainable competitive advantage of any organization including East Africa bottling S.C. It is important to retain skill full employees in the organization through proper job satisfaction packages. However, satisfaction packages and motivating competent workforce is a challenging task for every organization including East Africa bottling S.C.

This study examined the effect of employee satisfaction on the performance of East Africa bottling Company Employees. The results showed that there is a positive and significant relationship between employee satisfaction and performance. There is also a positive and significant relationship between the dimensions of employee satisfaction and promotion, compensation, relationship with manger and manger recognition and staff performance. This means that increased employee satisfaction leads to improved employee performance. The results of this study are in line with the results of Bakotić, (2016)

In addition, as revealed in the results of this research the compensation practice dimension of employee satisfaction has a significant effect on the performance of employees in the first place, followed by manger Recognition and relationship with manger are second promotion third effect dimensions of job satisfaction on employees' performance. The results also showed that there is a positive and significant relationship between job satisfaction and employee performance. And high job satisfaction will lead to better performance. People like the compensation and promotion policy to be fair, unambiguous and in line with their expectations.

.Therefore, for people who differ in values, abilities, it is possible to find a specific type of job that is personally interesting, while repetitive and continuous work seems meaningless to them. It also

improves one's morale because opportunities for development show the value of the individual to the organization, especially at higher levels. Promotional opportunities have a positive effect on job satisfaction and employee performance, as well as the promotion of high levels of the organization leads to positive change in self-esteem, coworkers' content and pay, so employees are always welcome to get promotions.

5.3 RECOMMENDATION

The performance evaluation system is optimally implemented and use the results to pay for it, high-performing and high-scoring employees are given points and incorporated into the payment system.

- Improvement of career development through the promotion of meritocracy, creating equal and competitive opportunities for employees to improve their capabilities, skills and interests, and to plan and manage the career path in the organization, utilizing the system. Proper performance appraisal as a basis for career promotion can lead to employee satisfaction and thus better job performance.
- In the organization, employees need to feel that they are doing useful and productive work to achieve the necessary and sufficient satisfaction and interest. They should be aware of the importance of their work and should always have the opportunity to showcase their talents and abilities. Gaining the necessary knowledge about the various aspects of the work helps them to control their own people and to get closer to the desired level.
- It is recommended that in each organization and company the characteristics and behavioral style of the supervisors, the ethical characteristics of the employees and the importance of the behavior between them be examined and continuous efforts are made to improve it. In addition, in some cases, managers pay more attention to bottom-up decision making and employee involvement in the decision-making process.

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Annex



ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
MBA PROGRAM

Dear Respondent.....

I am a graduate of MBA from St. Mary's University found in Addis Ababa. I am carrying out a study on the "*An effect of employee Satisfaction on Employees Performance in EAST African Bottling S.C*", the study is expected to be filled these Questionnaires by Workers of the company, exploring the effectiveness of job satisfaction on employees' performances as to improve overall employee performance, to be a competitive firm at worldwide.

I will be grateful if you assist me by filling these questionnaires in your capacity. Kindly answer these questions as honestly and precisely as possible. Responses will be treated as confidential and will only be used for this research study.

Thank you in advance for your cooperation and assistance
Instruction:

- It has two main parts: Part one is demographic information; whereas part two is the basic questions to be filled by respondents.
- Please do not write your name anywhere on this questionnaires.
- Put a tick (✓) where appropriate.
- For open-ended questions, answer as briefly as possible.

PART I: Demographic Information

1. Gender: Female Male
2. Age: 21-30 31-40 41-50 >50
3. Educational qualification

PhD Masters BA/B.Sc. Degree Diploma other, specify _____

4. Service year East Africa Bottling S.C :0-5 years B:5-10 year C:Above10 yeears

PART TWO: Questions related to job satisfaction

Listed below are a series of statements that represent **job satisfaction**. With respect to your own feeling about this job satisfaction regarding **in EAST African Bottling S.C**, please, indicate the degree of your agreement or disagreement with each statement by putting a tick mark (✓) on one of the five alternatives. **Responses are measured on 5- point scales with the following verbal anchors: Strongly Disagree (1), Disagree (2), Neither Disagree nor Agree (3), Agree (4) and Strongly Agree (5).**

1	Compensation	Strongly Disagree (1)	2	3	4	Strongly agree (5)
1.1	The current compensation practice is attractive and encourages for better performance					
1.2	The current compensation is fair compared to similar industries					
1.3	The compensation that I receive from the organization is adequate to my duties and responsibilities					
1.4	Incentive compensation is based on employees' performance for achieving specific goals and objective					
2	Management Recognition	Strongly Disagree (1)	2	3	4	Strongly agree (5)
2.1	There is a good acknowledgment in the organization					
2.2	The manager give attention or favorable notice for the employee in the organization					
2.3	There is good appreciation in the organization					
3	Promotion	Strongly Disagree (1)	2	3	4	Strongly agree (5)
3.1	The promotion practice of the organization free from any kind of bias					
3.2	There is a clear and transparent promotion policy in the organization					
3.3	I have a clear insight about the promotion policy of the organization					
3.4	The criteria set for promotion is realistic and applicable					
4	Relationship with Manager	Strongly Disagree (1)	2	3	4	Strongly agree (5)

5.1	There is good relationship with manager					
5.2	There is smooth relationship with immediate supervisors					
5.3	There is smooth relationship with workers					

PART THREE: Questions related to employee performance

1	EMPLOYEE PERFORMANCE	Strongly Disagree (1)	2	3	4	Strongly agree (5)
1.1	I meet the formal performance requirements of the job					
1.2	I combine the available resources very well to provide quality services					
1.3	I engage in activities that will directly affect my performance evaluation					
1.4	My performance has continually improved					
1.5	I successfully complete my assigned duties on time					

Thank You for your cooperation!

